

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7106
BILL NUMBER: SB 494

NOTE PREPARED: Mar 20, 2003
BILL AMENDED: Feb 27, 2003

SUBJECT: Taxation of Municipal Utilities.

FIRST AUTHOR: Sen. Server
FIRST SPONSOR: Rep. Avery

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: (Amended) This bill exempts gross receipts received by a political subdivision for sewer and sewage service from the Utility Receipts Tax.

Effective Date: January 1, 2003 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) Municipal sewer companies were not liable for the Gross Income Tax (repealed by P.L. 192-2002) for revenue received for sewage service and no liability was created under the Utility Receipts Tax (URT) which became effective January 1, 2003. This bill clarifies that they would be exempt from the URT.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: Department of State Revenue.

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